Text consolidated by Valsts valodas centrs (State Language Centre) with amending laws of:

30 October 2003 [shall come into force on 1 January 2004];

8 December 2005 [shall come into force on 1 January 2006];

12 September 2013 [shall come into force on 1 January 2014];

23 November 2016 [shall come into force on 1 January 2017];

17 October 2019 [shall come into force on 19 November 2019].

If a whole or part of a section has been amended, the date of the amending law appears in square brackets at the end of the section. If a whole section, paragraph or clause has been deleted, the date of the deletion appears in square brackets beside the deleted section, paragraph or clause.

The *Saeima*1 has adopted and

the President has proclaimed the following law:

**Law on Lotteries of Goods and Services**

**Section 1.** The following terms are used in the Law:

1) **lottery of goods**– a game where participants participate by purchasing goods but without paying a participation fee;

2) **lottery of services**– a game in which participants participate by entering into a service agreement but without paying a participation fee;

3) **lottery participant**– a person who purchases goods or enters into a service agreement and performs the activities specified in the provisions of a lottery in order to qualify for the acquisition of a prize;

4) **recipient of a lottery permit**– a manufacturer, distributor, vendor of goods or a provider of services who organises the lottery of goods or services or a lottery organiser;

5) **lottery organiser**– a person to whom a manufacturer, distributor, vendor of goods or provider of services has delegated the rights to organise the lottery of goods or services;

6) **opening of the lottery procedure**– date indicated in a lottery permit when persons start purchasing goods or receiving services and participating in the lottery, upon presenting a documentary proof of purchase;

7) **closing of the lottery procedure**– date indicated in a lottery permit by which the lottery permit recipient must determine and announce the winners;

8) **prize fund**– a body of articles in monetary terms (in euros) which are offered by the lottery permit recipient, for the purpose of organising one lottery of goods or services, as prizes and the value whereof together with the value added tax (in euros) is confirmed by accounting documents;

9) **game**– set of activities as a result of which a participant may win a prize. A winner of the prize shall be determined on the basis of his or her skills and knowledge, or the prize may be won completely or partially by chance;

10) **goods**– any article (except for restrictions specified by this Law) with individual name or other characteristic features the value whereof may be determined by purchasing or selling such article regardless of the packaging thereof;

11) **service**– a transaction that has been performed for a consideration within the framework of commercial activities of a person, including an agreement in accordance with which an order of a service recipient is fulfilled, an article is leased, a new article is manufactured, an existing article or properties thereof are improved or modified, intangible property (intangible valuables and rights) is sold, work is performed or the intangible result of the work is achieved, but which is not a purchase of goods (within the meaning of Clause 10 of this Section).

[*12 September 2013; 23 November 2016*]

**Section 2.** The purpose of this Law is:

1) to regulate the procedures of organising the lottery of goods and services, receiving the lottery permit and controlling the lottery procedure;

2) to protect the interests of individuals as well as those of the whole society in the sphere of organisation of lotteries of goods and services;

3) to promote fair competition.

**Section 3.** In order to organise a lottery of goods or services, a merchant who manufactures, distributes, and sells goods or provides services, or an organiser of the lottery shall receive a lottery permit from the Lotteries and Gambling Supervision Inspection (hereinafter – the Inspection).

[*23 November 2016*]

**Section 4.**

[23 November 2016]

**Section 5.**

[23 November 2016]

**Section 6.** (1) [23 November 2016]

(2) A newspaper, magazine, bulletin or another periodical shall receive a lottery permit by the first date of the first month of each relevant quarter if such newspaper, magazine, bulletin or another periodical organises quarterly lotteries of goods in a calendar year. If the abovementioned publication has delegated the right to organise a lottery of goods or services to another person, such person shall receive a lottery permit within the abovementioned time limit.

(3) [23 November 2016]

(4) For paying the State fee for organising a lottery of goods for a newspaper, magazine, bulletin or another periodical, the prize fund shall be determined by the total sum of the value of the separate prizes offered in lotteries of goods organised within a time period of a quarter of one calendar year the value whereof confirmed by accounting documents exceeds 720 euros. Such provision also applies to cases where the lottery is organised by a third person.

[*8 December 2005; 12 September 2013; 23 November 2016*]

**Section 7.** (1) If the prize of a lottery of goods or services is money, the recipient of a lottery permit shall identify the recipient thereof (indicating the given name, surname, personal identification number of the person, but for a person to whom a personal identification number is not granted – the date, number of a personal identification document and the name of the issuing authority) and banknotes shall not be located in the packaging of goods.

(2) [8 December 2005]

[*8 December 2005*]

**Section 8.** A lottery permit shall be issued for the time period of the lottery procedure which shall not be longer than six months.

**Section 9.** In order to receive a lottery permit, a merchant shall submit to the Inspection a submission to which the following shall be appended:

1) information on the person responsible for the lottery of goods or services and approved by the merchant (indicating his or her given name, surname, personal identification number, but for persons to whom a personal identification number is not granted – the date, number of issue of a personal identification document and the name of issuing authority);

2) provisions of the lottery of goods or services;

3) evaluation in euros of goods or non-material valuables offered as prizes that is confirmed by accounting documents;

4) certification from the manufacturer, distributor, seller of goods or provider of services regarding guarantees of payment of prizes.

[*12 September 2013*]

**Section 10.** (1) A merchant who wishes to organise a lottery of goods or services shall submit documents for the receipt of a lottery permit to the Inspection not later than within two months prior to the opening of the intended lottery procedure. The restriction on time limit specified in this Paragraph shall not apply to the cases where the merchant who wishes to organise a lottery of goods or services in accordance with Section 10.1 of this Law has expressed the wish to receive the decision of the Inspection regarding the granting of the lottery permit under an accelerated procedure.

(2) If a merchant has not submitted all the necessary documents or there is insufficient information in the submitted documents to decide on the issue, the Inspection shall request the necessary documents and information within a time period of 10 days, counting from the day when the submission was received.

(3) The Inspection shall take the decision on the granting of a lottery permit or the refusal to grant a lottery permit within a time period of 30 days after all necessary documents and information have been received.

[*23 November 2016*]

**Section 10.1** (1) If the merchant who wishes to organise a lottery of goods or services submits documents for the receipt of a lottery permit after the time limit specified in Section 10, Paragraph one of this Law but not later than 15 days prior to the opening of the lottery procedure, the merchant shall state in its submission that it wishes to receive the decision of the Inspection on the granting of the lottery permit under an accelerated procedure.

(2) The Inspection shall take the decision on the granting of a lottery permit or the refusal to grant a lottery permit within a time period of 10 days after all necessary documents and information have been received.

[*23 November 2016*]

**Section 11.** (1) The following shall be indicated in a lottery permit:

1) the number, place and date of issue of the permit;

2) the name, registration number and legal address of the manufacturer, distributor, seller of goods or provider of services;

3) the name, registration number and legal address of the lottery organiser (if such exists);

4) the name of goods or service for the promotion of sales whereof the relevant lottery is organised;

5) the name of the lottery;

6) the opening and closing date of the lottery procedure.

(2) The head of the Inspection shall sign a lottery permit and attest his or her signature with the seal of the Inspection.

**Section 12.** (1) A recipient of a lottery permit shall, prior to the opening of the lottery procedure, pay the State fee for the issue of a lottery permit.

(2) A lottery permit shall be issued after the State fee has been paid.

[*23 November 2016*]

**Section 13.** The Inspection has the right to refuse the granting of a lottery permit if:

1) a merchant has organised a lottery of goods or services without a permit;

2) a merchant has violated requirements of this Law and Cabinet regulations issued pursuant thereto;

3) provisions of the lottery of goods or services submitted by the merchant do not conform to the requirements of this Law.

[*23 November 2016*]

**Section 14.** (1) Concurrently with the granting of a lottery permit, the Inspection shall approve the provisions of the lottery of goods or services.

(2) Provisions of the lottery of goods or services shall be clear and unequivocal, laid out in a logical sequence, and the following information shall be included therein:

1) the name, registration number and legal address of the manufacturer, distributor, seller of goods or provider of services;

2) if the lottery is organised by another person – the name, registration number and legal address of the lottery organiser;

3) the lottery procedure area;

4) the opening and closing date of the lottery procedure;

5) prize fund – name of prizes, division according to prize groups (if any), number and value;

6) the amount of goods or services offered within the scope of lottery of goods or services or other information on the approximate winning chances of each lottery participant;

7) procedural requirements for the lottery and conditions of participation;

8) participant lottery expenditure related to participation in the lottery;

9) the date by which the documents confirming participation in the lottery of goods or services are to be submitted;

10) the procedures, place and date for the determination of winners of the lottery;

11) the procedures, place and date for the announcement of the winners of the lottery;

12) procedures by which the application for the prize and the delivery thereof is performed, and also additional costs for the receipt thereof;

13) a time limit up to which lottery participants may apply for and receive the prize;

14) information regarding where the lottery participant can lodge objections in the case of objections, the procedures and a time limit for the examination of these objections;

15) persons who shall not participate in the lottery;

16) other information regarded as necessary by the recipient of a lottery permit.

(3) The Inspection shall not approve the provisions of the lottery of goods or services if:

1) the information provided for in this Law is not included therein;

2) the information regarding the approximate winning chances of each lottery participant of the lottery to win is not sufficiently clear;

3) such provisions provide for the organisation of the lottery of goods or services that do not comply with the requirements of this Law.

**Section 15.** (1) A recipient of a lottery permit shall ensure that a copy of the provisions of the lottery of goods or services approved by the Inspection is available to a lottery participant at the place of sale of the goods or provision of services or the following is indicated on the packaging of the lottery goods:

1) the opening and closing date of the lottery procedure;

2) a source of information (a publication, website address or telephone number) where it is possible to get acquainted with the provisions of the lottery of goods or services which are approved by the Inspection.

(2) The number of the lottery permit shall be indicated in the provisions of the lottery of goods or services.

[*8 December 2005*]

**Section 16.** (1) The number of a lottery permit, and also the information where it is possible to get information on the provisions of the lottery of goods or services shall be indicated in an advertisement of the lottery of goods or services.

(2) It is prohibited to advertise through the mass media of the Republic of Latvia a lottery of goods or services for the organising whereof a lottery permit has not been received.

[*23 November 2016*]

**Section 17.** A recipient of a lottery permit shall ensure that the lottery procedure is transparent and that no fraudulent actions are allowed.

[*23 November 2016*]

**Section 18.** (1) Persons who have won in a lottery of goods or services shall be publicly determined.

(2) If the prize fund of a lottery of goods or services exceeds 10 000 euros, a representative of the Inspection shall participate in the determining of the persons who have won the lottery.

(3) A protocol regarding persons who have won shall be drawn up. The following shall be indicated in the protocol:

1) the name, legal address, registration number of the recipient of a lottery permit;

2) the name of the lottery;

3) the place and date of the determination of winners;

4) persons who participate in the determination of winners;

5) names of prizes;

6) the given name and surname of the winner.

[*8 December 2005; 12 September 2013; 23 November 2016*]

**Section 19.** (1) If a lottery of goods or services is organised throughout the whole territory of the Republic of Latvia, the recipient of a lottery permit shall announce the lottery results (winners and prizes) through at least one mass media that is distributed throughout the territory of the Republic of Latvia not later than within five days after the determination of the winners.

(2) If a lottery of goods or services is organised as an instant lottery, a lottery participant shall learn immediately whether he or she has won after the purchase of goods or entering into an agreement regarding a service, and also receive the prize he or she has won.

(3) If a lottery of goods or services is organised by a newspaper, magazine, bulletin or another periodical, the recipient of a lottery permit shall announce the lottery results (winners and prizes) in the next issue of the publication being issued immediately after the determination of the winners.

[*8 December 2005*]

**Section 20.** (1) It is prohibited to organise lotteries of goods or services where persons can participate by gambling or purchasing alcoholic drinks (including beer), tobacco products, herbal products for smoking, electronic smoking devices and refill containers of electronic smoking devices, medications, or energy drinks.

(2) A prize in a lottery of goods or services shall not be participation in gambling activities or alcoholic drinks (including beer), tobacco products, herbal products for smoking, electronic smoking devices and refill containers of electronic smoking devices, medications, or energy drinks.

[*8 December 2005; 17 October 2019* / *See Paragraph 6 of Transitional Provisions*]

**Section 21.** Supervision and control of how the recipient of a lottery permit complies with this Law, other laws and regulations, and provisions of the lottery of goods or services shall be carried out by the Inspection in accordance with the procedures specified by the Cabinet, by the institutions of the State Revenue Service in accordance with the procedures specified in the law On the State Revenue Service, and by the State Police in accordance with the procedures specified in the law On Police.

**Section 22.** Persons whose interests are injured or restricted by the decision of the Inspection may appeal such decision to the court.

**Section 23.** Within 15 days after the end of the time limit specified in Section 14, Paragraph two, Clause 13 of this Law, the recipient of a lottery permit shall, in accordance with the procedures specified by the Cabinet, submit a report to the Inspection on the organising of a lottery of goods or services, and the following shall be indicated in the report:

1) the name of the merchant and a lottery permit number granted;

2) the number of lottery participants;

3) number of prizes given out;

4) the value of prizes given out in euros;

5) the number of remaining prizes;

6) the value of remaining prizes in euros.

[*12 September 2013; 23 November 2016*]

**Section 24.** (1) A recipient of a lottery permit shall pay a State fee.

(2) The amount of the State fee shall be:

1) 25 percent of the prize fund if the recipient of a lottery permit has submitted documents for the receipt of a lottery permit to the Inspection within the time limit laid down in Section 10, Paragraph one of this Law;

2) 25 percent of the prize fund plus 47 euros if the recipient of a lottery permit has submitted documents for the receipt of a lottery permit to the Inspection within the time limit laid down in Section 10.1, Paragraph one of this Law.

[*23 November 2016*]

**Section 25.** Revenue from the State fee for the organisation of lotteries of goods or services shall be transferred into the State basic budget.

[*23 November 2016*]

**Section 26.** (1) For violation of the procedures for the organisation of a lottery of goods or services, a fine of up to one hundred and forty units of fine shall be imposed on a natural or legal person.

(2) For the organisation of a lottery of goods or services without the receipt of a permit from the Inspection, a fine of up to two hundred and eighty units of fine shall be imposed on a natural or legal person.

[*17 October 2019* / *Section shall come into force on 1 July 2020.* *See Paragraph 7 of Transitional Provisions*]

**Section 27.** Administrative offence proceedings for the administrative offences referred to in Section 26 of this Law shall be conducted by the Inspection.

[*17 October 2019* / *Section shall come into force on 1 July 2020.* *See Paragraph 7 of Transitional Provisions*]

**Transitional Provisions**

1. Section 13, Clause 1 of this Law applies to such lotteries of goods or services that a merchant has organised without a permit after coming into force of this Law.

2. The Cabinet shall, by 1 January 2004, issue the following regulations:

a) the procedures by which a merchant notifies of the lotteries of goods or services for which the prize fund is less than 500 lats;

b) the procedures for supervision and control of the organising of lotteries of goods and services;

c) procedures by which a recipient of a lottery permit notifies of the organising of a lottery of goods or services.

3. In this Law, the term “merchant” is also understood as the term “undertaking (company)”.

4. The provisions of this Law shall not be applicable to such advertising actions which conform with the definition of the lottery of goods or services and are initiated before the day of coming into force of this Law; however, such advertising actions may take place only until 1 March 2004.

[*30 October 2003*]

5. The wording of the Law on Lotteries of Goods and Services which was in force until 31 December 2016 shall apply to the lotteries of goods and services for which the merchant has submitted documents to the Inspection for the receipt of a lottery permit or if the merchant has notified the Inspection of the organisation of the lottery until 31 December 2016.

[*23 November 2016*]

6. The wording of Section 20, Paragraphs one and two of this Law which was in force before the day the amendments to Section 20, Paragraphs one and two of this Law came into force shall apply to the lotteries of goods and services for which the merchant has submitted a submission to the Inspection and has appended documents for the receipt of a lottery permit before the day of coming into force of the amendments to Section 20, Paragraphs one and two of this Law on determining an additional prohibition concerning the organisation of lotteries of goods or services and the prize.

[*17 October 2019*]

7. Sections 26 and 27 of this Law shall come into force concurrently with the Law on Administrative Liability.

[*17 October 2019*]

The Law shall come into force on 1 January 2004.

The Law has been adopted by the *Saeima* on 19 June 2003.

President V. Vīķe-Freiberga

Rīga, 8 July 2003